

Appln No. 10/800,276

Amdt date July 15, 2005

Reply to Office action of March 15, 2005

**Amendments to the Specification:**

On page 8, line 5, please amend the paragraph as follows:

FIG. 4 is a side view of the improved stern drive of FIG. 1 wherein the engine is placed on the same level as the top portion of the stern drive for a simplified drivetrain; and

FIG. 5 is a side view of a further embodiment of an improved stern drive wherein the stern drive is in a substantially horizontal position.

On page 12, line , please amend the paragraph as follows:

The I/O system shown in FIG. 2 differs from the prior art in the additional respect that the exhaust conduit 52 and the water intake 76 of the engine 50 are both routed directly through the hull of the vessel 40 and do not pass through the stern drive 60. As shown in FIG. 2, the exhaust conduit 52 runs from the manifold 51 of the engine 50 through the transom 41 above the waterline 45. The exhaust conduit 52 incorporates a muffler 53. In addition, FIG. 2 shows a water pump 75 connected to a water intake 76 which is attached to the bottom hull 42 of the vessel 40. The water pump 75 may in turn be connected to a cooling system 79 connected to the engine 50. Because of these improvements, the lower portion of the housing 61 of the stern drive 60 can be constructed as a single, watertight unit and may employ aluminum or another suitable material.

Appln No. 10/800,276

Amdt date July 15, 2005

Reply to Office action of March 15, 2005

On page 13, line 32, please add the following paragraph:

FIG. 5 shows a side view of a further embodiment of an improved stern drive wherein the stern drive 60 is in a substantially horizontal position.